Award Ceremony for the 4th Edition of the Jaime Fernández de Araoz Corporate Finance Award

Speech by His Royal Highness the Prince of Asturias

June 7th, 2011

Ladies and Gentlemen

Good evening to you all. I am extremely happy to see you once again on the occasion of this Jaime Fernández de Araoz Corporate Finance Award. I can tell you truthfully that, as in previous years, I very much enjoy taking part in the award’s presentation, supporting the event and watching its prestige grow, thanks to your care and attention, despite the fact that this is only the fourth time it has been awarded.

Also, being here and listening to such learned presentations is like coming to school, a masterclass. I always come away with the feeling that I have learned something and am aware that I have so much more to learn.

This award underlines the value of learning about the complex financial structures involved in businesses and the skills required to manage them. It highlights the importance of specialist know-how in order to ensure a successful outcome from corporate operations of all kinds, such as valuation and financing, mergers and acquisitions and venture capital transactions.

Having the best research in this field, combined with a profound knowledge of the markets, is key to increasing the size, diversification and internationalisation of our businesses and, consequently, ensuring the advancement of our economy. In the competitive and globalised world of which Spain forms an active part, we today place particular store in scientific excellence in this area in order to achieve healthy growth and the resulting creation of employment in all sectors.

This is unquestionably the best tribute we could pay to Jaime Fernández de Araoz, and the one that would have pleased and, without doubt, surprised him most. We can just imagine his face when told about these events at which professionals and colleagues, family and friends all got together in his memory. I am sure that he would give some mischievous look, knowing his sense of humour and his desire to stay out of the limelight. With these Awards we
remember him as a great and loyal friend who was full of humanity, while at the same time acknowledging the professional enthusiasm, skill and dedication that he demonstrated in this field, a field that he himself helped to advance.

Alejandro, Isabel, Luisa and family; in promoting Jaime’s memory, among the youngest members of your family too, you are encouraging the highest possible standards, something that is essential to the advance of the Spanish economy. Indeed, over the last ten years we have seen a huge increase in the number of young Spanish people, some of them renowned experts, who have devoted themselves to corporate financing and the creation of important institutions.

My most heartfelt congratulations!

I am also grateful to the experts who are with us today and thank you for your contribution to this initiative. I thank the sponsors for their crucial support, and the members of both the Jury and the Technical Committee, who are called on to offer their meticulous and rigorous assessment of the quality of the work submitted.

Indeed, the quality of the papers presented for this award since its inception, and the scientific renown of their authors, who hail from more than 30 different countries, reflect the growing recognition and prestige of the Jaime Fernández de Araoz Award.

The Award has also acquired renewed importance and relevance in these difficult times of economic and financial crisis in which, for the entire industrial complex, the need for greater and better scientific know-how in the area of corporate finance has become an unavoidable requirement, along with the increased generation of talent and its appropriate placement.

I should like warmly to congratulate this year’s winners of the award: Professors Tano Santos and Patrick Bolton, both from Columbia Business School, and the Brazilian, Professor José A. Scheinkman, from the University of Princeton, who unfortunately cannot be with us today. We acknowledge the outstanding contribution that our compatriot, Professor Santos, has made in his research into price theory, along with his examination of models and algorithms. His work underlines the value generated by talent and the major contribution that the use of analysis as a tool can represent for a business seeking opportunities in difficult or unfamiliar environments.

At the same time, his work has helped us to see that, in the journey towards a
knowledge economy that a large part of our globalised world is currently undertaking, it is essential to ensure that a significant number of well-educated young people enter the entrepreneurial environment. Many congratulations, Professor Santos.

I also offer my warm congratulations to Professor Bolton, whose academic reputation has been gained at some of the best universities in the United Kingdom, France, Belgium and the USA. The members of the Technical Committee and Jury took account not only of his university work, in which he is known for his contribution to Contract Theory, but also acknowledged his work entitled “Credit Markets for the Poor”.

We can see how innovation acquires an additional added value in that it promotes services that ease the daily lives of innumerable people in many different countries. In this area, Spain has shown both enthusiasm and strong support for Microloans as a mechanism for Aid and Development and a means of strengthening the role of women in the least advantaged countries. Next November we will be celebrating the Global Microloan Summit in Valladolid, and this is an initiative that, as you know, Her Majesty the Queen has supported for many years. (Professor Bolton, my most sincere congratulations!)

Ladies and gentlemen, as I mentioned when I began, the work carried out by the Award winners is of the highest scientific level. With their efforts, they have shown us that we must combine know-how with the highest goals and with qualities such as effort, the spirit of service and perseverance, in the form of many hours’ hard work.

Irreplaceable values and virtues such as those that these Awards recognise and Jaime Fernández de Araoz was able to inspire.

Once again, my congratulations to the winners and many thanks to you all.